

D.T.E. 99-110

Petition of Fitchburg Gas and Electric Light Company for approval of its Electric Reconciliation Mechanism and Inflation Adjustment filing, and accompanying tariffs filed pursuant to G.L. c. 164, § 1A(a), 220 C.M.R. § 11.03(4) and D.T.E. 97-115/98-120.

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APPEARANCE: Frederick J. Stewart, Vice-president

Unitil Service Corporation

6 Liberty Lane West

Hampton, NH 03842-1720

FOR: FITCHBURG GAS AND ELECTRIC LIGHT

COMPANY

Petitioner

## I. INTRODUCTION

On December 1, 1999, pursuant to G.L. c. 164, § 1A(a), 220 C.M.R. § 11.03(4) and Fitchburg Gas and Electric Company, D.P.U./D.T.E. 97-115/98-120 (1999) Fitchburg Gas and Electric Light Company ("Fitchburg" or "Company") filed with the Department of Telecommunications and Energy ("Department") its Electric Reconciliation Mechanisms and Inflation Adjustment Filing. The Company also proposed changes in charges for energy efficiency and renewables programs pursuant to G.L. c. 25, §§ 19 and 20. The Company filed proposed tariffs, effective January 1, 2000, that incorporate these proposed charges and adjustments. This filing was docketed as D.T.E. 99-110. Notice was issued and the Department requested comments from all the participants in Fitchburg Gas and Electric Light Company, D.T.E. 98-121 (1999), Fitchburg Gas and Electric Light Company, D.T.E. 99-58, D.T.E. 97-115/98-120.

On December 6, 1999, the Department requested comments from all electric distribution companies on the issues of distribution rate redesign and an appropriate inflation factor for rates effective January 1, 2000. The Department received responses from electric distribution companies, the Attorney General, and the Division of Energy Resources on December 9, 1999.

Upon review of these responses, on December 17, 1999, the Department sent all electric distribution companies a letter that delineated guidelines for distribution companies on distribution rate redesign and rate adjustment issues in their 2000 reconciliation adjustment filings ("December 17, 1999 Letter"). In response, by letter dated December 22, 1999, Fitchburg filed new tariffs to take effect on January 1, 2000. On December 30, 1999, the Department suspended the Company's revised tariffs until January 14, 2000. Fitchburg Gas and Electric Light Company, D.T.E. 99-110 (1999) (Order Suspending Tariffs).

Based upon the Department's review of the Company's filing and the comments received, the Department has determined that further investigation is necessary. The Department finds, however, that the revised tariffs filed by Fitchburg on December 22, 1999, are in compliance with the directives outlined by the Department in its December 17, 1999 Letter, and are in the public interest. The revised tariffs provide a 15 percent rate reduction for all customer classes, adjusted for inflation through June 30, 2000. Consistent with the Department's directives, the inflation adjustment will be reconciled in the Company's next reconciliation filing (December 17, 1999 Letter at 6). Fitchburg's transition charge is subject to further Department investigation in this proceeding.

## II. ORDER

The Department, after review and consideration, it is

ORDERED: That the tariffs filed by Fitchburg Gas and Electric Light Company with the Department on December 22, 1999, M.D.T.E. Nos. 51 through and including 56, for service on and after January 1, 2000 are ALLOWED; and it is

FURTHER ORDERED: That the transition charge for Fitchburg Gas and Electric Light Company is ALLOWED, subject to reconciliation pursuant to an investigation; and it is

FURTHER ORDERED: That Fitchburg Gas and Electric Light Company comply with any and all other directives contained in this Order.

By Order of the Department,

Janet Gail Besser, Chair

James Connelly, Commissioner

W. Robert Keating, Commissioner

Paul B. Vasington, Commissioner

Eugene J. Sullivan, Jr., Commissioner